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THE Fats and Oils SITUATION

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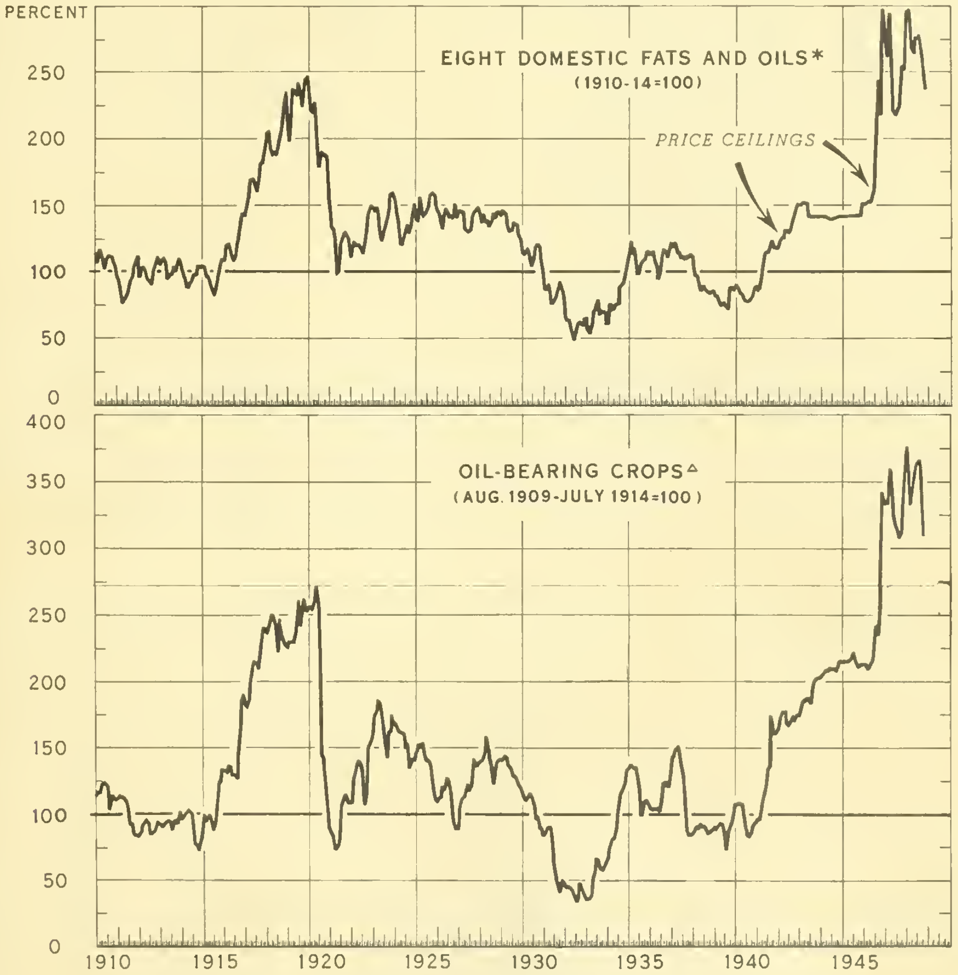
WHOLESALE PRICES OF EIGHT DOMESTIC FATS AND OILS AND PRICES RECEIVED BY FARMERS FOR OIL-BEARING CROPS, UNITED STATES, 1910-48



* BUTTER, LARD, EDIBLE TALLOW, INEDIBLE TALLOW, GREASE, OLEO OIL, COTTONSEED OIL, LINSEED OIL
△ COTTONSEED, FLAXSEED, PEANUTS, AND (BEGINNING 1935) SOYBEANS

U. S. DEPARTMENT OF AGRICULTURE NEG. 46208 BUREAU OF AGRICULTURAL ECONOMICS

The postwar peak in prices of fats, oils, and oilseeds probably has been passed. Bumper 1948 oilcrops assure a large supply of vegetable oils in late 1948 and early 1949. The record 1948 corn crop probably will result in a substantial increase in animal-fat production, beginning in late 1949. Also, world export supplies of fats and oils are gradually increasing.

However, no severe decline in prices of fats, oils, and oilseeds, like that after World War I, is in prospect. Domestic and export demands are expected to continue strong until mid-1948 at least. Government price supports preclude a major decline in most oilseed prices from the levels of mid-September 1948.

Table 1.- Wholesale prices per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, August 1946 and 1947, June-August 1948

Item	August		1948		
	1946	1947	June	July	Aug.
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	69.7	74.7	80.9	78.6	75.3
Butter, 92-score, New York	70.4	74.4	80.2	78.7	75.6
Oleomargarine, dom. veg., Chicago	25.5	36.0	40.5	39.0	37.5
Shortening, cottonseed, hydrogenated, 10-drum lots, N.Y.	19.5	26.8	37.8	33.9	32.0
Shortening, cont. animal fat, 1-lb. cartons, Chicago	—	28.2	37.3	35.8	33.5
Lard, loose, Chicago	31.4	15.5	20.5	20.3	20.4
Lard, prime steam, tierces, Chicago	32.8	17.2	23.0	21.9	19.5
Lard, refined, 1-pound cartons, Chicago	35.7	18.3	24.2	24.2	24.2
Oleo oil, extra, tierces, Chicago	—	18.7	29.2	30.2	26.5
Oleostearine, tierces, N.Y.	1/ 17.8	16.0	27.9	29.3	26.8
Tallow, edible, Chicago	17.6	12.6	18.0	17.2	14.8
Corn oil, crude, tanks, f.o.b. mills	12.8	20.0	34.1	26.6	24.6
Corn oil, refined, drums, New York	—	27.1	42.2	35.8	30.7
Cottonseed oil, crude, tanks, f.o.b. S.E. mills	2/ 15.6	18.5	35.4	27.5	24.6
Cottonseed oil, p.s.y., tank cars, N.Y. (nearby futures)	—	18.4	36.1	28.2	21.3
Cottonseed oil, refined, drums, New York	—	27.5	42.0	37.7	33.2
Peanut oil, crude, tanks, f.o.b. mills	13.0	19.2	33.8	27.8	25.2
Peanut oil, refined, drums, N.Y.	—	27.1	42.0	37.7	33.5
Soybean oil, crude, tank cars, midwestern mills	13.7	15.9	27.3	22.1	22.1
Soybean oil, refined, drums, N.Y.	20.0	21.4	33.0	29.4	27.2
Coconut oil, crude, tank car lots, Pacific Coast 3/	4/ 11.0	14.5	28.8	24.5	24.4
Coconut oil, refined, drums, New York (tax included)	5/ 12.8	18.7	34.5	33.3	32.5
Olive oil, imported, edible, drums, N.Y.	77.5	83.3	60.0	60.5	61.1
Olive oil, California, edible, drums, N.Y.	58.7	70.0	56.7	56.7	56.7
Olive-oil foots, domestic, drums, carlots, N.Y.	18.0	—	24.8	23.2	23.2
Sesame oil, tanks, Pacific Coast	—	25.0	33.5	33.0	—
Tallow, inedible, prime or extra, carlots, Chicago	8.6	11.9	15.8	15.8	13.4
Tallow, No. 1, inedible, Chicago	8.4	11.0	14.6	14.2	11.7
Grease, A White, Chicago	8.8	11.5	15.4	15.0	12.8
Menhaden oil, light pressed, tanks, N.Y.	12.2	17.6	21.0	20.6	19.0
Sardine oil, crude, tanks, Pacific Coast	8.9	11.9	19.0	19.0	15.0
Cottonseed-oil foots, raw (50% T.F.A.) delivered, East	3.6	3.0	5.2	4.2	3.2
Tall oil, refined, tanks, works	4.5	6.8	5.8	5.8	5.8
Linseed oil, raw, tank cars, Minneapolis	15.6	27.5	27.6	27.3	27.2
Linseed oil, raw, drums, carlots, N.Y.	16.8	27.9	29.4	29.1	29.1
Oiticica oil, drums, f.o.b. N.Y.	26.0	23.8	21.9	20.6	19.3
Tung oil, drums, carlots, N.Y.	39.0	26.3	25.0	23.1	22.0
Tung oil, tanks, f.o.b. Pacific Coast	—	25.2	23.3	21.4	20.4
Castor oil, No. 3, drums, carlots, N.Y.	14.8	27.8	23.5	23.2	22.2
Castor oil, No. 1, tanks, N.Y.	—	27.0	23.0	22.7	21.8
Castor oil, dehydrated, tanks, N.Y.	—	30.7	26.0	25.7	25.0
Cod-liver oil, med. U.S.P. bbl., N.Y.	35.2	38.4	34.5	34.5	34.5
Cod oil, Newfoundland, drums, N.Y.	11.9	21.0	24.5	24.5	24.5
Glycerin, soaplye, basis 80%, tanks, N.Y.	11.5	22.5	28.2	29.0	29.0

INDEX NUMBERS (1935-39 = 100)

Eight domestic fats and oils (1910-14 = 100)	244	224	278	261	238
Eight domestic fats and oils (.72*)	240	221	274	258	235
All fats and oils (27 items) (.73*)	229	234	286	268	247
All fats and oils, except butter (26 items) (.82*)	207	209	298	266	234
Grouped by origin:					
Animal fats (.69*)	246	233	265	258	242
Marine animal oils (.77*)	171	268	392	391	338
Vegetable oils, domestic (.84*)	188	229	383	314	256
Vegetable oils, foreign (.88*)	183	244	284	265	263
Grouped by use:					
Butter (.67*)	236	230	275	267	257
Butter, seasonally adjusted (.67*)	243	263	300	288	264
Lard (.78*)	322	168	226	214	191
Other food fats (.84*)	200	221	370	306	252
All food fats (.71*)	244	235	287	268	246
Soap fats (.80*)	154	191	300	271	239
Drying oils (.85*)	185	276	280	275	274
Miscellaneous oils (.71*)	163	303	301	296	286
All industrial fats and oils (.82*)	166	234	290	273	255

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Chicago Journal of Commerce, and reports of Production and Marketing Administration and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Loose. 2/ Southwest mills. 3/ Three-cent processing tax added to prices as originally quoted. 4/ Bulk, c.i.f. 5/ Tank cars.

* Multiply by this factor to convert current index number (1935-39 = 100) to old basis (1924-29 = 100).

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, September 24, 1948

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SUMMARY

Fat-and-oil prices in the year beginning October 1948 will average moderately lower than a year earlier, largely as a result of increased domestic production of fats and oils. In 1947-48, the index of wholesale prices of 27 major fats and oils averaged 274 (1935-39=100), a new peak, compared with 263 in 1946-47 and with about 150 during most of the war. Prices of edible vegetable oils and coconut oil probably will average lower compared with the 1947-48 level than prices of most other fats.

Total output of fats and oils from domestic materials in the year beginning October 1948 may be 3 to 4 percent larger than the 9.9 billion pound output in 1947-48. In addition, there will be a substantial increase in exports of oilseeds. Bumper 1948 crops of oilseeds assure a material increase in production of vegetable oils in 1948-49. The total supply of edible vegetable oils, however, will not increase as much as production, because stocks this fall are materially smaller than a year ago.

Output of tallow may decline slightly in 1948-49 but production of lard and grease may be about the same as a year earlier. The 1948 spring pig crop was 3 percent smaller than a year earlier, and the number of cattle on farms January 1, 1949 is expected to be less than at the beginning of 1948. These factors probably will be partly offset by marketing of hogs and cattle at heavier weights than in 1947-48, since the supply of feeds per animal unit in 1948-49 will be at a new high.

Butter production may increase slightly in the year beginning October 1948. Total output of milk is expected to increase, and use of milk in fluid form probably will show a slight further decline. The upward trend in consumption of margarine may continue, but at a less rapid rate than from 1946-47 to 1948-49, when butter production was declining.

Imports of copra into the United States in 1949 probably will be larger than in 1948, when IEFC allocations were reduced as a result of typhoon damage to coconut groves in the Philippines in December 1947. Imports of palm oil also may increase, as exports from the Netherlands Indies, the leading prewar source for the United States, are expected to expand in 1949. Imports of fats and oils, including oilseed in terms of oil, into the United States in the first 7 months of 1948 totaled 783 million pounds, compared with 895 million pounds a year earlier. Most of the decline was in Philippine copra and Argentine linseed oil.

European demand for fats and oils from the United States remains strong. If controls over exports should lapse with the expiration of present legislation on February 28, 1949, exports of fats and oilseeds relatively low in price, notably lard and soybeans, probably would increase materially. Total exports of fats, oils, and oilseeds from the United States in 1948, on the basis of present allocations, will amount to 0.9 to 1.0 billion pounds (including shipments to U. S. Territories) compared with 1.0 billion pounds in 1947.

Disappearance of fats and oils in the United States in the year beginning October 1948 is likely to increase, reflecting the rise in production. A moderate increase is probable in consumption of food fats and in use of oils in drying-oil products. Use of fats in soap may remain about the same as in 1947-48. Total domestic disappearance for all uses in the year ended June 1948, the latest 12-month period for which data are available, amounted to about 70 pounds (fat content) per person, the same as prewar per capita consumption. Disappearance per person of food fats, at about 43 pounds (fat content), was 3 pounds under prewar while use of fats in industrial products, at about 27 pounds per person, was 3 pounds larger than before the war.

Prices to growers for soybeans produced in 1948 are to be supported at $2.18 per bushel for U. S. No. 2 green and yellow varieties, 14 percent moisture. This support is 14 cents per bushel higher than for the 1947 crop but is more than $1.00 below the average price received by farmers last season. Because of the large crops this year of both soybeans and cottonseed, prices to farmers for soybeans were near the support in late September but probably will rise later in the marketing season.

The longer term outlook for soybeans remains favorable. Much research work is being done to improve soybean oil for both edible and drying-oil uses. And a large potential export market for soybeans will exist as long as only small quantities of Manchurian soybeans are available for export to Western Europe.

The price of flaxseed produced in 1948 is being supported at $6.00 per bushel, Minneapolis basis, the same level as for the 1947 crop. The large crop of 47.3 million bushels this year, together with the carry-in of 7.3 million bushels, is at least 14 million bushels larger than the probable quantity needed to supply domestic uses and to provide for a normal carry-out. In mid-September, export allocations of 2 million bushels of flaxseed were announced, largely to countries of Western Europe and to the Department of the Army. Additional allocations of oilseeds, including flaxseed, are under consideration.

Canada has an unusually large export surplus of 10 to 12 million bushels of flaxseed from the 1948 crop and the carry-over from the 1947 crop. The support price for 1948-crop Canadian flaxseed is $4.00 per bushel, Lake ports. Market prices in Canada in late September were near the support level.

The bumper 1948 peanut crop of 2.3 billion pounds is approximately 1.0 billion pounds larger than the quantity that will be used commercially for peanut butter, salted nuts and confectionery, used on farms for food, feed and seed, sold by farmers for local consumption, and lost. Part of the excess 1.0 billion pounds will be crushed in the United States, and part will be exported, largely for crushing abroad. In 1947-48, when total production of peanuts was 2.2 billion pounds, about 1.0 billion pounds were used commercially for edible products; about 0.3 billion pounds were used or sold locally by farmers; 0.4 billion pounds were crushed in the United States; and 0.5 billion pounds were exported. Commercial use of peanuts in edible products has declined substantially since the war. Military procurement of edible peanut products has fallen sharply. Scarce foods (notably sugar in the form of candy, jams, and jellies) for which peanuts and peanut butter were substituted during the war have become relatively abundant again. In recent years the price of peanuts has been maintained at 90 percent of the parity price at the beginning of the marketing season, compared with a prewar average of 56 percent of parity.

OUTLOOK

BACKGROUND:- The wartime world shortage of fats and oils was emphasized in late 1945 and early 1946 when continental Europe, excluding Russia, was restored as a major importing area. Before the war this area had imported about 4.5 billion pounds of fats, oils, and oilseeds annually to supplement a domestic production of approximately 10 billion pounds of fats and oils. Production of animal fats, the chief domestic source of fats and oils, was severely reduced during the war by curtailed imports of feedstuffs.

Supplies of fats and oils available to North America and Europe from world surplus-producing areas in 1945 were less than half the prewar total of about 10 billion pounds. Exports from Asia totaled less than 1 billion pounds in 1945, compared with 4 billion before the war. Exports from Africa and South America also were reduced, and no whale oil was produced in the Antarctic, compared with about 1 billion pounds annually before the war.

Supplies of fats and oils in the United States in 1945 were materially below the record level reached in 1943 and 1944. Output from domestic materials declined in 1945 to 9.4 billion pounds compared with 10.7 billion pounds in each of the two preceding years. Imports also declined, reflecting the world shortage. Domestic civilian consumption was reduced to 64 pounds (fat content) per person compared with 67 pounds a year earlier, and exports were materially reduced. Even so, stocks of fats and oils in the United States declined from nearly 2.2 billion pounds at the beginning of 1945 to 1.7 billion pounds at the year's end.

United States supplies were even smaller in 1946. Domestic production declined to less than 8.9 million pounds. Imports declined moderately. Exports, though reduced, were held high in relation to prewar to help meet an urgent European demand. Civilian consumption per person was maintained at the 1945 level only by drawing stocks down another 450 million pounds, to about 1.25 billion pounds at the end of the year, and by a sharp reduction in military procurement.

After price ceilings were removed in October 1946, prices of fats and oils rose rapidly. The index number of wholesale prices of 27 major fats and oils, which was about 150 (1935-39=100) during most of the war, rose to a record of 300 by March 1947. Since price ceilings were removed, this index has fluctuated between 226 and 300 and has averaged about 270. High prices for oilseed meals, as well as for fats and oils, were reflected in prices of oilseeds. The index number of prices received by farmers for oilseeds has averaged 338 (1910-14=100) since October 1946, compared with a peak of 237 following World War I.

Production of fats and oils from domestic materials in the United States rose to 9.9 billion pounds in 1947 and apparently will total about the same in 1948. Imports of coconut oil (mainly in the form of copra) increased in 1947 to well above prewar. Per capita consumption of fats and oils in the United States in 1947 was near the prewar level. Consumption of food fats was still moderately less than prewar, while use of fats and oils in industrial products was above prewar.

Exports of fats and oils from world surplus-producing areas have increased gradually since 1945 but are still only moderately more than half of prewar. An exceptionally poor harvest in Europe in 1947, and the use of imported grain for food rather than feed, has retarded recovery of livestock production. European demand for fats and oils from the United States, though not as urgent as in 1946 and 1947, still remains strong.

Prices of Fats and Oils To Decline from Postwar Peak

Prices of fats and oils will average moderately lower in the year beginning October 1948 than a year earlier, though well above wartime ceilings. The decline will be due largely to increased output of vegetable oils in this country and a probable moderate increase in imports of coconut and palm oils. Strong export demand for fats and oils is a potential price-supporting factor.

Prices of edible vegetable oils in 1947-48 were higher in relation to the 1937-41 average than prices of other fats and oils, except coconut and fish oils, and probably will show a larger decline from 1947-48 to 1948-49 than most other fat-and-oil prices. But a severe decline in edible vegetable-oil prices is not indicated, because stocks of these oils on hand Aug. 31, 1948, at 242 million pounds, were smaller than a year earlier by more than 200 million pounds and were the smallest since 1926.

Wide short-term fluctuations have characterized fat-and-oil prices since October 1946.

The index number of wholesale prices of 27 major fats and oils averaged 274 (1935-39 = 100) in the 12 months ending September 1948. This was moderately higher than in 1946-47 and was the highest of record. The increase over 1946-47 was due mostly to a rise in butter prices. Reflecting reduced output, the price of 92-score butter at Chicago averaged 79 cents per pound in October 1947-September 1948 compared with 70 cents per pound a year earlier. Changes in prices of other fats and oils were mixed, and in most cases reflected changes in supply. Prices of drying-oils declined more than 10 percent from 1946-47 to 1947-48. The price of coconut oil was materially higher. Prices of lard, domestic edible vegetable oils, inedible tallow, and grease averaged about the same in 1947-48 as a year earlier. Increased demand for margarine apparently was an important factor in maintaining high prices for cottonseed, soybean, and other edible oils despite increased production of these oils in 1947-48.

Since the mid-1920's, the price of lard has declined in relation to prices of both cottonseed oil and soybean oil (table 2). This probably has been due mainly to an increasing consumer preference for hydrogenated shortening in the United States. Until late 1939, crude cottonseed oil, Southeast mills, consistently sold at a lower price than lard in tank car lots, Chicago. In most months of 1940 and 1941, however, the price of cottonseed oil was higher than the price of lard. The highest premium over lard was about 2 cents, in late 1941. Since the war this premium has averaged 4 cents per pound. In May and June 1948, prices of crude cottonseed, corn, and peanut oils (mills) were 13 to 15 cents per pound above the price of lard (tank car lots). In September 1948, these differences had declined to 2 to 4 cents per pound.

Table 2. - Fats and oils: Index numbers of wholesale prices, and wholesale and retail prices per pound, leading items, United States, specified periods

INDEX NUMBERS (1935-39=100)

Item	Average 1924-29	Average 1937-41	1945 (ceilings)	Average Nov. 1946-Sept. 1947 1/	Average Oct. 1947-Sept. 1948
27 major fats and oils	137	98	149	263	274
Butter	149	101	142	238	269
Lard	128	79	135	240	227
Other food fats	119	98	168	311	305
Soap fats	125	99	150	291	300
Drying oils	117	108	174	335	291
WHOLESALE PRICES, SPECIFIED MARKETS					
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	43.9	29.6	42.3	70.0	79.2
Lard, tankcarslots, Chicago	12.5	7.7	12.8	22.6	22.2
Cottonseed oil, crude, S.E. mills	8.8	7.0	12.8	26.3	26.9
Soybean oil, crude, Midwest mills	2/9.3	6.4	11.8	23.2	23.8
Tallow, inedible, prime, Chicago	8.2	6.3	8.6	18.5	18.5
Coconut oil, crude, tankcars, Pacific Coast 3/	8.5	7.0	11.0	20.0	25.8
Linseed oil, raw, tankcars, Minneapolis	4/11.0	9.3	14.3	33.5	28.8
Tung oil, drums, New York	15.5	21.7	39.0	32.9	25.6
RETAIL PRICES, LEADING CITIES OF U. S.					
	Cents	Cents	Cents	Cents	Cents
Butter	55.0	37.0	50.7	80.1	5/90.3
Lard	19.8	12.6	18.8	33.0	5/31.2
Oleomargarine	28.7	17.3	24.1	41.5	5/41.6
Shortening 6/	24.7	20.4	24.6	45.0	5/44.0

Wholesale prices compiled from Oil, Paint, and Drug Reporter, The National Provisioner, and reports of the Production and Marketing Administration. Retail prices from Bureau of Labor Statistics.

1/ October 1946 omitted because most prices were subject to ceilings that month.

2/ Estimated by deducting 3.4 cents from price of imported soybean oil, barrels, N.Y.

3/ Three cents added after May 9, 1934 to allow for tax on first domestic processing.

4/ 1924 and 1925 estimated by deducting 0.7 cents from price of linseed oil in drums, carlots, N.Y.

5/ Average, October 1947-August 1948.

6/ In containers other than cartons. This is chiefly hydrogenated shortening.

The difference between the price of crude coconut oil and inedible tallow also became unusually wide in early 1948. Usually, these prices are within 1 or 2 cents of one another, after adding 3 cents to the price of coconut oil to allow for the processing tax. But by May 1948, the price of coconut oil (Pacific Coast, including tax) had risen to 28 cents per pound while the price of inedible tallow (prime, Chicago) had declined to 14 cents. The relatively high price of coconut oil is due mainly to the temporary reduction in Philippine exports of copra as a result of the December 1947 typhoon and to the strong European demand for copra. In Europe, coconut oil is used mainly for food. Because of the European demand, the world price of copra and coconut oil is based on food rather than soap use of the oil. The difference between United States prices of coconut oil (including tax) and inedible tallow in early September 1948 was still about 14 cents per pound.

Domestic Production of Fats and Oils To Increase in 1948-49

An increase in production of fats and oils from domestic materials in the year beginning October 1948 is assured by large 1948 oilseed crops. Production of edible vegetable oils in the year beginning October 1948 may be nearly 15 percent larger than the total of 3.1 billion pounds expected for 1947-48 (table 7). The soybean crop, estimated at 206 million bushels, is 13 percent larger than last year and a record. On the basis of the estimated 28-percent increase in cotton lint output and the 1943-47 average ratio between production of cottonseed and cotton lint, output of cottonseed this year would be 6,150,000 tons, 31 percent larger than in 1947 and the largest since 1937.

The record crop of peanuts estimated for 1948 will again result in a large surplus over the amount used by the edible peanut trade (mainly for peanut butter, salted nuts, and confectionery) at the price-support level. In 1947-48, over half of the surplus peanuts were exported for crushing abroad. The rest of the surplus peanuts were crushed in the United States, and produced 126 million pounds of oil.

Table 3.-Oilseeds: Yield per acre and production, United States, 1942-48

Commodity	Unit	Yield per acre [1]			Unit	Production		
		Average 1942-46	1947	Indicated Sept. 1 1948		Average 1942-46	1947	Indicated Sept. 1 1948
Soybeans	Bu.	18.9	16.3	20.8	Mil. bu.	193	181	206
Flaxseed	Bu.	8.3	9.6	10.5	Mil. bu.	34	39.8	47.3
Cottonseed	Lb.	433	435	[2]520	1,000 tons	4,394	4,681	[2]6,150
Peanuts	Lb.	650	646	689	Mil. lb.	2,106	2,188	2,302

[1] Soybeans, per acre harvested for beans; flaxseed, per acre planted; cottonseed, per acre in cultivation July 1; peanuts, per acre picked and threshed.

[2] Calculated from the September indication of 1948 cotton lint production and the 1943-47 average ratio between production of seed and production of lint.

Output of corn oil in 1948-49 probably will be somewhat larger than the production of approximately 200 million pounds a year earlier. Corn oil is produced largely as a byproduct of corn starch and corn syrup. With substantially lower prices for corn in 1948-49 than a year earlier, prices of corn starch and syrup probably will be enough lower to increase sales.

Production of linseed oil from domestic flaxseed in the 12 months beginning July 1, 1948 will be at least as large as a year earlier when 581 million pounds were produced. About 800 million pounds could be produced from the estimated 1948 crop of flaxseed. Actual production will be smaller than this, however, because part of the crop is to be exported.

Production of butter in the year beginning October 1948 may increase slightly over the 1.5 billion pounds produced a year earlier. Production of milk may be moderately larger than a year earlier, and use in the form of fluid milk may decline slightly further. However, use of milk in manufactured products other than butter may increase slightly. In August 1948, production of creamery butter was slightly above the same month a year earlier for the first time since July 1947. Preliminary reports indicate that September 1948 output was about the same as in September 1947.

Total production of lard in the year beginning October 1948 probably will not be much different than the 2.3 billion pounds produced in 1947-48. Output of lard in October-December 1948 probably will be smaller than last fall, but in January-September 1949 may be moderately larger than a year earlier. The spring pig crop was 3 percent less in 1948 than 1947. With a bumper corn crop this fall farmers are likely to feed pigs longer than last fall, when corn was relatively scarce. This would mean a considerably smaller hog slaughter in October-December 1948 than a year earlier. Slaughter in January-March 1949, however, may be about the same as a year earlier. With a large corn crop this fall and an improving hog-corn ratio, the 1948 fall pig crop probably will be moderately larger than a year earlier. The large supply of corn may also result in feeding fall-crop pigs to slightly heavier weights than in the 1947-48 season, so that some increase is likely in the yield of lard per hog slaughtered next spring and summer.

As grease is derived largely from hogs, production of grease also may total about the same in 1948-49 as a year earlier, with a reduction in output in October-December 1948, compared with a year earlier, approximately offset by an increase in the first 9 months of 1949.

Cattle slaughter probably will decline slightly in 1948-49 because of the smaller number of animals now on farms compared with last year. Tallow production may be slightly less in 1948-49 than a year earlier. Although fewer cattle probably will be marketed, a greater percentage will be well-finished animals, which yield more fat per animal. Assuming the same production of edible tallow in 1948-49 as a year earlier, total output of inedible tallow and grease in the year beginning October 1948 probably will decline slightly from the level of approximately 2.0 billion pounds in 1947-48.

Present indications do not point to any increase in the 1948 output of fish and fish-liver oils over the low 1947 total of 121 million pounds. Production of these oils in the first 8 months of 1948 was about the same as a year earlier. However, roughly half of the annual output is usually obtained in the last 4 months of the year. The fishing season for California sardines (pilchards) begins in June and usually reaches a peak in September and October. Menhaden fishing on the Atlantic Coast lasts a longer period but also reaches a peak in the early fall.

The catch of California sardines has declined each year since 1944. Output of sardine oil in 1947 amounted to only 16 million pounds compared with 136 million pounds in 1944 and the 1937-41 average of 126 million pounds.

Output of menhaden oil has increased moderately in recent years, reaching 62 million pounds in 1947. Production of fish oils other than menhaden and sardine--mostly herring--in 1947 was slightly above the prewar average of 35 million pounds. The decline in sardine-oil output since 1944 is reflected in a decline in total production and fish and fish-liver oils from the prewar average of 207 million pounds to 121 million pounds in 1947.

Table 4.- Production of fish and fish-liver oils, United States, 1937-47

Year	Sardine (pilchard)	Menhaden	Cod and fish-liver	Other 1/	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average, 1937-41	126.4	40.1	5.4	35.4	207.3
1942	93.8	39.7	9.7	14.1	157.3
1943	104.6	44.4	6.4	18.6	174.0
1944	135.7	47.0	7.5	23.5	213.7
1945	88.9	64.5	6.1	26.1	185.6
1946	36.5	75.5	6.8	33.7	152.5
1947	15.6	61.4	6.0	37.9	121.0

Compiled from reports of Fish and Wildlife Service and Bureau of the Census.

1/ Mainly herring oil.

Moderate Increase In Consumption of Food Fats Likely in 1948-49

Butter production in 1947-48 totaled about 1.5 billion pounds compared with 2.2 billion pounds before the war. The total production of farm milk in the United States in 1947-48 was approximately 116 billion pounds compared with 108 billion pounds in 1937-41. But high consumer incomes have resulted in a large increase over prewar in consumption of fluid milk and ice cream. Consumption of cheese, evaporated milk, and other manufactured dairy products other than butter is moderately larger than prewar. In the West North Central States, the leading butter-producing section, output of milk in 1947-48 was slightly less than prewar, and cream sales have declined materially. Beef, hog, and grain production, alternative enterprises to dairying, have increased.

Production of cottonseed, soybean, corn, and peanut oils in the year ending September 1948 totaled about 3.1 billion pounds (crude basis) compared with 2.1 billion prewar. Most of this increase was in output of soybean oil. All of the increase, however, did not go into the manufacture of food products, as there was a large expansion in nonfood uses of soybean oil. Lard output in 1947-48 was about 2.3 billion pounds compared with the average of 1.9 billion pounds in 1937-41.

Exports and shipments to United States Territories of food fats in the year ending June 1948--chiefly lard, soybean oil, and cottonseed oil--totaled 737 million pounds, about 180 million pounds more than a year earlier and about twice prewar. Use of imported oils in food products was less than half as large as in 1937-41. The principal imported oils in food products in 1947-48 were coconut and olive oils.

Factory and warehouse stocks of edible fats and oils on June 30, 1948 totaled only 635 million pounds, 243 million pounds less than a year earlier and the least for any June 30 since 1926. Most of this decline was in stocks of edible vegetable oils. On August 1, 1948, the latest reported, factory and warehouse stocks of edible fats and oils totaled 515 million pounds, about 230 million pounds less than a year earlier.

Disappearance of food fats in the United States (for the armed forces as well as civilians) in July 1947-June 1948, the last 12 months for which data on disappearance are available, totaled about 43 pounds (fat content) per person compared with 41 pounds a year earlier and an average of 46 pounds in 1937-41. Consumption of butter per person in 1947-48 was only 8.3 pounds per person (fat content basis), 5.1 pounds less than in 1937-41 and the smallest in over a century. Slightly more than half of the decline from prewar was offset by an increase in consumption of margarine. This was 4.8 pounds per person (fat content basis) in 1947-48, up 2.6 pounds from prewar and a new high. Changes from prewar in other food fats and oils were relatively small. A moderate increase in consumption of lard was more than offset by a decline in consumption of shortening. Disappearance of salad and cooking oils was nearly the same as prewar.

Table 5.- Total military and civilian disappearance of food fats and oils, fat content basis, per person, from factories and warehouse, United States, 1947-48 compared with prewar

Item	Average 1937-41	July 1947-June 1948	Change
	Pounds	Pounds	Pounds
Butter (fat content)	13.4	8.3	-5.1
Margarine (fat content)	2.2	4.8	+2.6
Lard	12.4	12.8	+0.4
Shortening	10.8	9.8	-1.0
Edible oils	7.2	7.0	-0.2
Total	46.0	42.7	-3.3

Domestic disappearance of food fats and oils probably will increase moderately in the year beginning October 1948, chiefly as a result of the increased output of domestic edible vegetable oils. A large increase is not likely, however, because the carry-over probably will not be reduced, as in 1947-48. The principal increase may come in cooking and salad oils. Before the war, use of these oils showed a marked upward trend. Consumption declined during the war, largely because of restricted supplies of edible vegetable oils, and in 1947-48 was still slightly below the 1937-41 average. Butter production is likely to remain as large in 1948-49 as a year earlier. Consumption of margarine probably will not show the large increase (roughly 1 pound fat content per person) that accompanied a decline in butter production from the 1946 to the 1947 season. Lard output and consumption may be about as large in 1948-49 as a year earlier. This would tend to prevent an increase in consumption of shortening.

Use of Oils in Drying-Oil Products to Continue Large in 1948-49

Use of oils and fats in the manufacture of paint, varnish, floor coverings, and other drying-oil products in the year ending June 1948 totaled about 1,050 million pounds, including tall oil and secondary fatty materials. This was approximately 75 million pounds more than a year earlier and was near the 1941 peak of 1,080 million pounds. Demand for drying-oil products was strong in 1947-48, reflecting a record peacetime level of industrial production in the United States, and the supply of drying-oils increased. In 1948-49, use of oils and fats in the drying-oil industries may increase moderately.

More linseed oil can be produced from the large 1948 flaxseed crop than was used in the United States in 1947-48. Imports of tung, castor, and oiticica oils have been removed from international allocation controls. Production of soybean oil in the United States will be larger in 1948-49 than a year earlier.

As a result of the increased supply, prices of most drying-oils, except linseed oil, are likely to average moderately less in 1948-49 than in 1947-48. The price of soybean oil, which is now used in large quantities as a drying oil, also probably will be lower than in 1947-48 because of the increase in the 1948 soybean and cottonseed crops. The price of linseed oil will be supported at 26.7 cents per pound, f.o.b. mill, Minneapolis, only about 2 cents below the 1947-48 average and the same as in September.

The use of linseed oil in drying-oil products has declined from the 1937-41 average despite a substantial increase in total use of all oils in drying-oil products. In 1947, linseed oil accounted for 56 percent of the total, compared with an average of 71 percent in 1937-41. Use of soybean oil, castor oil, tall oil, and secondary fatty materials in drying oil products has increased materially since prewar, partly as a result of advances in chemical research and engineering to improve the drying properties of these materials. The shift away from linseed oil also has resulted from the relatively high price for linseed oil since October 1946.

Vegetable oils are encountering increasing competition from casein and vegetable proteins in the manufacture of paints, especially for interior surfaces. Vegetable oils are also meeting increasing competition from synthetic resins and tall oil as raw materials for paints, varnishes, and linoleum. The market for paints and varnishes of all kinds is adversely affected by the increasing use of plastics which do not need a protective or decorative coating, as do most articles made from wood or metal.

Use of Fats in Soap Moderately Less in 1948 Than 1947 Record

Use of fats and oils in 1947 in soap by United States civilians amounted to an estimated 14.9 pounds per person compared with the 1937-41 average of 13.5 pounds. Total use of fats and oils in soap in 1947, including soap for the military, for export, and for industrial uses, was 2,355 million pounds compared with 1,886 million pounds annually in 1937-41. In addition, about 95 million pounds of tall oil and rosin were used in soap in 1947, nearly the same as the prewar average use, which consisted almost entirely of rosin.

Demand for soap was exceptionally strong in 1947, as consumer incomes were at a record peacetime level. Dealers' demand for inventories also apparently was strong. Retailers' shelves were almost bare of soap in October 1946, when price controls were removed. Because of scarce supplies of fats, use of fats in soap for civilians in 1946 had amounted to only 11.8 pounds per person, the least since 1936.

Supplies of soap fats in 1947 were larger than in most earlier years. Production of inedible tallow and greases was at a new high of more than 2 billion pounds. Production of coconut oil, minus net exports, reached 740 million pounds, also a record supply for use in the United States. In contrast to prewar, however, available imports of fats other than coconut oil were limited. Hence, the strong demand for soap in 1947 did not result in as large use of fats and oils in soap as would otherwise have occurred, but did result in unusually high prices for soap fats. The index of wholesale prices of leading soap fats in the United States in 1947 averaged 297 (1935-39=100), about twice the wartime level and a new record.

Use of fats and oils in soap continued at a high rate in January-March 1948, but declined materially in the April-June quarter. Use in the latter half of 1948 also is likely to be below a year earlier. Production of inedible tallow and greases continued in January-July 1948 at about the 1947 rate. But in the latter half of 1948, output of inedible tallow and grease may be considerably less than a year earlier. Cattle slaughter is running consistently below the 1947 level, and hog slaughter probably will total materially less in July-December than a year earlier, largely as a result of early marketing of the 1947 fall pig crop and probable late marketing of the 1948 spring crop. In addition, imports of coconut oil and copra will be smaller in July-December than in January-June, if present international allocations of Philippine copra for 1948 are not changed before the end of the year, or if the present longshoremen's strike on the Pacific Coast is prolonged.

In the first half of 1949, production of tallow and grease and imports of coconut oil and copra are likely to increase again. Prices of inedible tallow and greases may advance from recent low levels before the end of 1948. The price of coconut oil probably will remain high. In early 1949, however, these prices may decline.

Leading soap manufacturers reported sales of 97 million pounds of synthetic detergents in April-June 1948. This is equivalent to an annual rate approaching 400 million pounds. Substantial quantities of synthetic detergents also are sold by other manufacturers, particularly chemical companies. Roughly half of the total output may be from a fatty-acid base and roughly half from a petroleum base. Competition of synthetic detergents with soap is increasing rapidly, particularly in hard-water areas. It is understood that most of the future increase in sales of synthetic detergents will be in the petroleum-base types.

Soybean Prices in 1948-49 May Average Above Support

The price of U. S. No. 2 green and yellow soybeans produced in 1948, with 14 percent moisture, is being supported through loans and purchase agreements at $2.18 per bushel, delivered at country shipping points. Black, brown, and mixed varieties will be supported at $1.98 per bushel. Variations in test weight, moisture, splits, and damage will be allowed for in premiums and discounts, but soybeans with more than 14 percent moisture are not eligible for loans. These supports, announced in late August, are based on 90 percent of the estimated comparable price of soybeans on September 1, 1948 and are 14 cents above the support for 1947-crop soybeans.

Purchase agreements and farm storage and warehouse loans will be available to producers through December 31, 1948. Loans will mature April 30, 1949. Purchase agreements will give producers an option to sell soybeans at support prices to CCC within 30 days after April 30, or earlier on demand.

Prices to farmers for soybeans in 1947-48 averaged $3.28 per bushel, the highest since 1920, when nearly all soybean sales were for seed. The price last season reflected high prices for soybean oil and meal. The average price of soybean oil, crude, Midwest mills, for the 12 months ending September 1948 was about 24 cents per pound, slightly above the previous record established a year earlier. In the same 12 months the price of soybean meal (sacked, carlots, Chicago) averaged about $92 per ton, well above any previous year.

Mainly as a result of the bumper 1948 soybean and cottonseed crops, prices of soybean oil and meal in 1948-49 will be materially lower than a year earlier. The price of soybean oil, however, will remain well above the wartime ceiling of 11.8 cents per pound. On the basis of the probable decline from 1947-48 in the price of corn, the price of soybean meal in 1948-49 may average 35 to 40 percent lower than a year earlier. The prospective production of oilseed meals per animal unit in 1948-49 is materially larger than ever before. The quantity available for livestock feed in this country, however, will depend partly on exports. Export allocations of 252,000 short tons of oilseed meals for October-December 1948 were announced on September 17. European demand for oilseed meal is exceptionally strong.

Prices of new crop soybeans were near the support level when the marketing season opened in late September. However, the average for the 1948-49 marketing year probably will be above the support. There is usually a seasonal variation in prices received by farmers for soybeans. In the 9 crop years 1935-41, 1946, and 1947, January prices averaged 23 percent above prices the preceding October.

Table 6.- Soybeans: Average price received by farmers, United States, specified months, 1935-47

Year beginning October	Price per bushel		Change	
	October	January	Actual, per bushel	Percentage
	Dollars	Dollars	Cents	Percent
1935	.68	.76	+ 8	+ 12
1936	1.07	1.43	+ 36	+ 34
1937#	.86	.88	+ 2	+ 2
1938	.64	.72	+ 8	+ 12
1939	.73	1.03	+ 30	+ 41
1940	.67	.89	+ 22	+ 33
1941	1.42	1.65	+ 23	+ 16
1942*	1.58	1.59	+ 1	+ 1
1943*	1.80	1.82	+ 2	+ 1
1944*	2.04	2.06	+ 2	+ 1
1945*	2.06	2.09	+ 3	+ 1
1946	2.28	2.93	+ 65	+ 28
1947	3.11	4.11	+100	+ 32

# Year of declining general price level.
* Price ceilings in effect.

Export allocations for soybeans for October-December 1948, announced September 17, total 2.8 million bushels, compared with exports of 0.5 million bushels in October-December 1947 and a total of less than 3.0 million bushels in the 12 months ended September 1948. Additional allocations are under consideration.

The market outlook for soybeans in the next two years remains favorable. With a continuation of a fairly high level of domestic consumer income, and a continued small supply in world trade of competing fats, oils, and oilseeds, compared with prewar, demand for soybeans probably will remain strong. The potential export demand for soybeans from the United States will be especially strong as long as Manchurian soybeans are not available for export to Western countries in large volume.

Substantial Surplus of Flaxseed in 1948-49 Over Probable Domestic Use

The price of 1948 flaxseed is being supported at $6 a bushel (Minneapolis basis), mainly through direct purchases by CCC. Up to September 23, approximately 17 million bushels had been bought.

Both loans and purchase agreements are available to producers. Loans on flaxseed in approved storage will be available to producers in Arizona, California, and Texas through October 31, 1948 and will mature on January 31, 1949. In other States, loans will be available through December 31, 1948 and will mature on April 30, 1949. Producers of flaxseed who sign purchase agreements within the period when loans are available are given an option to sell up to a specified quantity of flaxseed to the Commodity Credit Corporation within 30 days after the loan maturity date. The price at which sales are to be made equals the applicable loan value at the point of delivery.

CCC also has entered into contracts with processors who pay support prices or more for flaxseed. In these contracts CCC agrees to purchase flaxseed and linseed oil from processors, as offered. Flaxseed will be purchased by CCC at the support level. Linseed oil produced from flaxseed bought at the support or above will be purchased by CCC at 26.7 cents per pound, Minneapolis basis. Processors may offer flaxseed to the Commodity Credit Corporation not later than April 30, 1949 and linseed oil not later than June 30, 1949.

At the support price, use of linseed oil in the United States in 1948-49 may not be much over 600 million pounds, as industrial production is not expected to increase much over the 1947-48 rate. Six hundred million pounds of linseed oil is equivalent to about 31 million bushels of flaxseed, which is roughly 11 million bushels less than the 1948 crop minus estimated dockage and requirements for seed. Stocks of flaxseed on July 1, 1948, amounting to over 7 million bushels, were at least 3 million bushels more than normal for the date.

In mid-September export allocations of 2 million bushels of flaxseed were announced, including 1.45 million bushels to Western European countries and .45 million bushels to the Department of the Army for use in the Pacific and Western Germany. Further allocations of flaxseed are under consideration. In addition, in mid-August about 17,000 short tons of linseed meal, equivalent to nearly 1 million bushels of flaxseed, were allocated for export; and July-December allocations of fats and oils include 9 million pounds of linseed oil, the equivalent of about half a million bushels of flaxseed.

Under section 112 (d) of the Economic Cooperation Act, grant-in-aid funds may not be used by ECA countries for the purchase in countries other than the United States of agricultural commodities which are in surplus in the United States. Dollar funds from other sources, however, are not bound by this requirement.

Canada has a bumper 1948 crop of flaxseed, estimated at 18 million bushels. With a fairly large quantity of flaxseed carried over from the 1947 crop, the quantity available for export may be 10 to 12 million bushels. Prices are being supported by the Canadian Government at $4 per bushel delivered at Montreal, Fort Willian or Port Arthur. Market quotations in late September were near the support level.

Substantial quantities of linseed oil are available from Argentina. The asking price for this oil in recent months has been 30 cents per pound, Buenos Aires.

Surplus of Peanuts over Edible Uses Again to be Large in 1948-49

Prices to farmers for peanuts produced in 1948 are being supported at a schedule of prices based on 90 percent of the parity price on July 15. Ninety percent of parity in mid-July this year was 10.8 cents per pound compared with 10.0 cents a year earlier. Accordingly, the schedule of support prices for the 1948 crop averages higher than a year earlier by about 0.8 cent per pound, or $16 per ton. The support prices vary with type and sound mature kernel content.

As last year, peanuts are purchased from farmers by private peanut mills and warehouses and by warehouses of Government-approved peanut cooperative associations. Commodity Credit Corporation is offering to buy No.2 shelled peanuts from shellers. In 1947-48, most of the No. 2 peanuts acquired by CCC, plus a relatively small quantity of farmers' stock peanuts acquired by CCC and custom-shelled, were exported to foreign countries for crushing. Some direct sales were also made by shellers to foreign buyers. Exports of peanuts in September 1947-July 1948 totaled 518 million pounds, farmers' stock basis, of which 81 million pounds went to Canada for edible purposes and most of the rest were shipped to Europe for crushing. A relatively small quantity of peanuts was sold by CCC to crushers.

Prices of peanut oil and meal in December 1947 and January 1948 and again in the spring of 1948 were high enough to enable crushers to bid against edible users for peanuts. The total crush of farmers'-stock and shelled peanuts in September 1947-August 1948 was 371 million pounds, farmers'-stock basis, compared with 441 million pounds a year earlier and the 1937-41 average of 264 million pounds.

Commercial edible use of peanuts (in peanut butter, salted nuts, confectionery, and bakery goods) were exceptionally large during the war years. In 1942-45, this use averaged 1.3 billion pounds annually. The armed forces took a large quantity for PX's and ships' stores, and civilian use was unusually high because of the scarcity of other items, particularly sugar, which competes with peanuts in candy, and, in the form of jam, with peanut butter.

In the 1946 and 1947 crop years, however, edible uses of peanuts have declined materially. Supplies of competing commodities are again relatively abundant. Prices of peanuts, at 90 percent of parity, are above the prewar relationship both to parity and to prices of important competing commodities. Estimated commercial edible uses of peanuts in 1947-48 totaled 1.0 billion pounds. With an estimated increase of about 100 million pounds of peanuts picked and threshed this year, exports and crushings in 1948-49 may total about 1.0 billion pounds compared with 0.9 billion pounds a year earlier.

Under the Agricultural Act of 1948, peanuts produced in 1949 will again be supported at 90 percent of the parity price. In the fall of 1947, peanut growers voted in favor of peanut acreage allotments and marketing quotas for the three crops beginning with 1948. In January 1948, however, the Secretary of Agriculture suspended allotments and quotas for the 1948 crop because of the world food shortage. The law requires the Secretary to announce not later than December 1, 1948 the national marketing quota for the 1949 crop. Unless quotas for the 1949 crop are terminated because of a national emergency or because of increased demand, marketing quotas and allotments will be in effect for the 1949 crop.

Table 7 .- Supply and disposition of fats and oils, by calendar years, 1937-41, 1943-48, and production of fats and oils from domestic materials, year beginning October, 1937-41, 1943-48

Item	Average 1937-41	1943	1944	1945	1946	1947 (preliminary)	1948 (partly forecast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRODUCTION FROM DOMESTIC MATERIALS							
Food fats and oils							
Butter: Creamery	1,780	1,674	1,489	1,364	1,171	1,322	
Farm	431	341	329	337	334	316	
Total (actual weight)	2,211	2,015	1,818	1,701	1,505	1,638	1,500
Lard and rendered pork fat:							
Federally inspected	1,224	2,080	2,367	1,311	1,344	1,722	
Other	719	785	687	755	794	705	
Total	1,942	2,865	3,054	2,066	2,138	2,427	2,200
Edible tallow, edible animal stearine, oleo stock and oil	213	259	198	202	124	164	140
Total edible animal fats	4,366	5,139	5,070	3,969	3,767	4,249	3,840
Corn oil	155	239	211	205	198	247	
Cottonseed oil	1,472	1,313	1,132	1,273	966	1,117	
Olive oil, edible	6	10	6	4	2	3	
Peanut oil	87	153	1/ 108	1/ 95	101	132	
Soybean oil	419	1,234	1,246	1,392	1,454	1,542	
Total edible vegetable	2,139	2,949	2,703	2,969	2,721	3,041	3,400
Soap fats and oils							
Inedible tallow and greases	1,167	1,649	1,943	1,751	1,658	2,023	
Fish and marine mammal oils (excluding cod and liver oils)	238	168	206	180	146	115	
Total soap fats and oils	1,405	1,817	2,149	1,931	1,804	2,138	2,000
Drying oils							
Linseed oil 2/	277	715	732	452	512	450	
Tung oil	2	5	3	10	11	13	
Total drying oils	279	720	735	462	523	463	670
Other industrial, including cod and fish-liver oils	18	31	33	41	37	36	40
Grand total	8,208	10,656	10,690	9,371	8,853	9,927	9,950
STOCKS of primary fats and oils January 1 (crude basis)	2,218	2,018	2,151	2,156	1,726	1,266	1,293
IMPORTS of oil and factory production of oil from imported materials 3/	1,974	929	990	919	819	1,344	1,100
TOTAL SUPPLY	12,400	13,603	13,831	12,446	11,397	12,538	12.343
EXPORTS, reexports, and shipments to U. S. territories 3/	448	1,581	1,647	1,059	876	887	750
STOCKS of primary fats and oils December 31 (crude basis)	2,303	2,151	2,156	1,726	1,266	1,293	
DOMESTIC DISAPPEARANCE 4/	9,647	9,781	10,094	9,696	9,285	10,344	
Military procurement, excluding relief	50	974	1,183	1,169	5/ 150	5/ 140	
Civilian disappearance	9,597	8,807	8,911	8,527	9,135	10,204	
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Civilian disappearance per person (fat content):							
Food	46	42	41	40	40	42	
Nonfood	24	24	25	24	24	27	
Total	70	66	67	64	64	69	

Production from domestic materials, year beginning October

	Average 1937-41	1943	1944	1945	1946	1947 (partly estimated)	1948 (forecast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils							
Butter: Total (actual weight)	2,220	1,843	1,751	1,453	1,680	1,500	1,550
Lard and rendered pork fat: Total	2,091	3,267	2,118	2,107	2,395	2,300	2,300
Edible tallow, edible animal stearine, oleo stock and oil	225	213	202	129	174	145	140
Total edible animal fats	4,536	5,323	4,071	3,689	4,249	3,945	3,990
Corn oil	173	214	217	183	250		
Cottonseed oil	1,456	1,179	1,303	1,002	1,011		
Olive oil, edible	6	6	4	2	2		
Peanut oil	87	135	1/ 89	99	138		
Soybean oil	500	1,219	1,347	1,415	1,531		
Total edible vegetable oils	2,222	2,753	2,960	2,701	2,932	3,100	3,500
Soap fats and oils							
Inedible tallow and greases	1,303	1,941	1,756	1,720	1,869		
Fish and marine mammal oils (excluding cod and liver oil)	220	160	213	169	123		
Total soap fats and oils	1,523	2,101	1,969	1,889	1,992	2,100	2,000
Drying oils							
Linseed oil 2/	361	802	416	563	406		
Tung oil	2	2	10	11	13		
Total drying oils	363	804	426	574	419	680	670
Other industrial, including cod and fish-liver oils	21	32	40	36	36	40	40
Grand total	8,665	11,013	9,465	8,887	9,628	9,865	10,200

Compiled from reports of the Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Grand totals and per capita estimates computed from unrounded numbers.

1/ Total production minus oil equivalent of imported Argentine peanuts. 2/ Total production minus oil equivalent of net imports of flaxseed. 3/ Imports include shortening and soap in terms of fat content. Exports include margarine, shortening, and soap in terms of fat content, procurement by the Army for European relief, procurement by the American Red Cross, and exports through private relief agencies beginning 1947. Exports do not include oil equivalent of oilseeds exported. 4/ Adjusted for changes in stocks of margarine and shortening, Government stocks of lard in transit to warehouses and ports, and cold-storage stocks of butter held by the Army. 5/ Partly estimated.

Table 8.- Imports and exports of fats, oils, oil-bearing materials, and fat-and-oil products, in terms of oil, average 1937-41, annual 1947, and January-July 1947 and 1948

Item	Imports for consumption				Exports 1/			
	Average 1937-41	1947	January-July 1947	January-July 1948 2/	Average 1937-41	1947	January-July 1947	January-July 1948 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils								
Butter	3.8	3.8	3.8	3/	9.5	4/17.3	4/ 9.4	4/9.0
Lard	3/	3/	3/	3/	272.7	415.6	228.2	197.5
Oleo oil	---	---	---	---	3.8	.1	.1	.1
Oleo stock	---	---	---	---	2.9	1.4	.3	3/
Stearine, animal, edible	1.0	---	---	---	.3	.2	.1	---
Tallow, edible	2.9	---	---	---	.2	.6	.3	1.2
Total, edible animal fats	7.7	3.8	3.8	3/	289.4	435.2	238.4	205.8
Corn oil	14.2	---	---	---	.3	.4	.1	.1
Cottonseed oil	72.1	1.0	3/	3.3	11.0	12.8	2.9	25.1
Cottonseed (15.5 percent)	---	---	---	---	---	2.1	1.8	1.3
Olive oil, edible	48.5	11.2	5.5	21.0	---	.1	.1	.1
Peanut oil	16.1	.1	.1	.1	2.4	2.2	1.2	.7
Peanuts, shelled (43 percent)	---	---	---		---	74.8	41.5	85.0
Sesame oil	9.9	.2	.2	1.3	---	---	---	---
Sesame seed (47 percent)	4.8	4.5	3.8	9.6	---	---	---	---
Soybean oil	7.0	.1	3/	.2	10.5	110.0	40.8	62.0
Soybeans (15 percent)	---	---	---	---	30.9	22.5	16.8	20.4
Sunflower oil	.8	3/	---	3/	5/	.1	3/	---
Teaseed oil	10.0	6.4	5.6	3.2	---	---	---	---
Vegetable oils, shipments to U. S. Territories	---	---	---	---	8.5	8.3	5.6	4.7
Total, edible vegetable oils	183.4	23.5	15.2	38.7	63.6	233.3	110.8	199.4
Soap fats and oils								
Fish oils	2.6	3.1	2.1	8.6	2.7	10.9	2.5	7.9
Greases	---	3/	3/	3/	4.6	14.3	8.7	6.9
Marine mammal oils	6/ 25.4	6/ 14.9	6/ 7.3	6/ 24.0	2.9	.1	3/	.3
Olive oil "foots"	20.2	---	---	7.2	---	.1	.1	.7
Olive oil, inedible	5.5	.2	.2	.1	---	3/	3/	3/
Palm oil	301.2	63.2	32.2	31.1	17.3	11.7	6.0	8.4
Tallow, inedible	7.7	1.1	.8	.9	1.6	55.1	23.6	26.4
Total, slow-lathering oils	362.6	82.5	42.6	71.9	28.9	92.2	40.9	50.3
Babassu oil	.4	1.7	1.5	1.2	---	---	---	---
Babassu kernels (63 percent)	48.9	14.0	13.8	20.9	---	---	---	---
Coconut oil	362.8	23.6	16.7	48.7	33.4	61.6	40.5	16.4
Copra (63 percent)	335.9	853.9	493.3	366.8	27.8	21.7	19.5	.5
Murumuru kernels (36 percent)	1.2	3/	3/	---	---	---	---	---
Palm-kernel oil	28.8	2.4	---	5.3	---	---	---	---
Palm-nut kernels (45 percent)	14.8	3/	3/	3/	---	---	---	---
Tucum kernels (43 percent)	2.4	7.3	7.0	8.3	---	---	---	---
Total lauric-acid oils	795.2	902.9	532.3	451.2	61.2	83.3	60.0	16.9
Drying oils								
Flaxseed (34 percent)	351.7	5.5	5.1	18.6	---	.3	.2	.3
Linseed oil	.1	117.3	117.2	3.8	3.3	24.0	1.3	22.0
Oiticica oil	16.0	8.5	7.1	10.7	---	---	---	---
Perilla oil	28.9	---	---	---	---	---	---	---
Perilla seed (37 percent)	.5	---	---	---	---	---	---	---
Tung oil	100.4	121.6	84.0	80.2	5.0	7.2	3.2	4.6
Total drying oils	497.6	252.9	213.4	113.1	8.3	31.5	4.7	26.9
Other industrial oils and fats								
Cashew-nut shell liquid (oil)	2.7	3.4	2.0	3.8	---	---	---	---
Castor oil	.5	6.6	6.6	1.4	1.0	3.4	2.6	.9
Castor beans (45 percent)	95.0	124.6	66.6	75.7	---	---	---	---
Fish-liver oils	46.7	17.0	8.8	15.4	---	9.2	5.7	5.1
Japan wax (tallow)	3.0	---	---	3/	---	---	---	---
Neat's-foot oil	---	.1	3/	.1	.6	1.1	.6	.1
Rapeseed oil	10.3	5.8	2.8	3.8	---	3/	3/	3/
Vegetable tallow	2.7	.1	.1	3/	---	---	---	---
Wool grease	3.0	.1	.1	3/	---	---	3/	---
Other vegetable oils and fats	---	.1	3/	.8	13.2	2.0	1.0	2.7
Total, other industrial	163.9	157.8	87.0	100.8	14.8	16.7	9.9	8.8
Manufactured products (fat content)								
Margarine 7/	1.9	---	3/	.2	1.3	19.9	12.9	3.4
Shortening	1.4	3/	3/	3/	8.0	10.3	6.8	5.5
Soap	2.8	.4	.3	.4	30.8	62.4	40.3	23.4
Total, manufactured products	6.1	.4	.3	.6	40.1	92.6	60.0	32.3
Exports through private relief agencies	---	---	---	---	---	24.3	11.2	16.7
Grand total 8/	2,016.7	1,423.6	894.8	776.5	506.3	1,008.4	535.8	556.8

Compiled from Monthly Summary of Foreign Commerce of the United States, records of the Bureau of the Census, and reports of the U. S. Department of Agriculture.

1/ Includes shipments to U. S. Territories of butter, lard, and manufactured products; reexports of coconut, palm, and tung oils, olive-oil foots, and copra; and reexports in 1947 of certain quantities of linseed oil reported in imports for consumption. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes actual weight of butter, oil and spreads (Army). These were not reported separately prior to 1945. 5/ Not reported separately. 6/ Sperm-whale oil except 1937-41 average, which includes 13.6 million pounds of sperm-whale oil. 7/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 8/ Computed from unrounded numbers.

Table 9.- Fats and oils, including oleomargarine and shortening: Production from domestic and imported materials, January-July 1948, and factory and warehouse stocks at the end of month, July 1948, with comparative data

Items grouped by major use	Production 1/				Stocks (crude basis)		
	July 1947	July 1948	January - July		July 31, 1947	June 30, 1948	July 31 1948
			1947	1948			
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
PRIMARY FATS AND OILS							
Food fats and oils							
Butter 2/	148.8	126.4	868.7	740.8	83.3	53.1	83.1
Lard and rendered pork fat 3/	148.1	123.3	1,050.0	979.8	236.1	223.1	217.2
Oleo oil, edible animal stearine, and edible tallow	13.6	10.2	111.7	73.3	20.5	10.2	12.1
Total edible animal fats	310.5	259.9	2,030.4	1,793.9	339.9	286.4	312.4
Corn oil 4/	20.3	15.6	149.7	110.8	12.9	12.9	9.9
Cottonseed oil 4/	24.2	32.1	427.0	584.9	199.2	152.7	128.7
Olive oil, edible	---	---	1.9	2.3	2.1	2.0	2.4
Peanut oil 4/	4.6	6.6	99.1	93.4	42.0	29.0	23.9
Sesame oil	5/	5/	5/	5/	1.0	1.5	2.8
Soybean oil 4/	125.7	122.8	963.2	941.6	276.5	150.7	152.2
Total edible vegetable oils	174.8	177.1	1,640.9	1,733.0	533.7	348.8	319.9
Soap fats and oils							
Tallow, inedible, and greases, excluding wool grease 6/	148.2	150.9	1,184.3	1,185.6	288.9	323.2	365.8
Palm oil 4/	---	---	---	---	16.7	16.9	15.7
Fish oil	21.2	16.5	35.9	35.7	47.8	36.7	39.3
Marine mammal oils	.1	.1	.1	.1	6.6	20.0	27.8
Olive oil, inedible and "foots"	---	---	5/	5/	.6	7/ .1	7/ .1
Total slow-lathering oils	169.5	167.5	1,220.3	1,221.4	360.6	396.9	448.7
Babassu oil 4/	5/	5/	5/	7/ 11.5	4.9	8/ 6.8	7.3
Coconut oil 4/	57.9	29.9	472.0	380.3	143.3	98.9	90.3
Total lauric-acid oils	57.9	29.9	472.0	391.8	148.2	105.7	97.6
Drying oils							
Castor oil, dehydrated 9/	2.3	5.1	19.4	27.7	6.3	8.9	8.8
Linseed oil	32.2	77.0	214.9	398.6	157.7	137.1	150.1
Oiticica oil	---	---	---	---	4.1	4.5	6.1
Tung oil	5/	---	10.7	12.1	51.0	42.4	43.0
Total drying oils	34.5	82.1	245.0	438.4	219.1	192.9	208.0
Other industrial oils and fats							
Neat's-foot oil	.2	.2	1.4	1.0	1.1	.8	.8
Wool grease	1.6	1.6	13.0	12.6	7.4	7.9	7.6
Cod oil and fish-liver oils	.7	.5	3.3	2.4	11.0	9.8	11.2
Castor oil, No. 1 and No. 3 10/	5.0	7.9	53.1	51.2	19.0	25.5	26.4
Rapeseed oil	---	---	5/	---	4.0	8.0	7.2
Other vegetable oils	4.0	7.8	21.5	31.1	7.4	10.7	13.5
Total	11.5	18.0	92.3	98.3	49.9	62.7	66.7
Grand total 11/	758.8	734.5	12/6,253.9	12/6,200.9	1,651.5	1,393.2	1,453.2
Domestic materials	690.0	682.2	12/5,680.0	12/5,689.3			
Imported materials	68.8	52.3	573.9	511.6			
OLEOMARGARINE 13/	48.9	52.6	380.6	526.6	N.A.	11.7	7.3
SHORTENING	79.9	79.6	719.2	800.0	47.2	75.9	72.5

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Factory production except as otherwise noted.

2/ Creamery butter production and cold-storage stocks, U.S. Department of Agriculture.

3/ Federally inspected production, USDA.

4/ Stocks, crude oil plus refined oil converted to crude basis by dividing by the following factors: Babassu, corn, cottonseed, palm, and palm-kernel oils, 0.93; coconut, peanut, and soybean oils, 0.94.

5/ Included in "other vegetable oils."

6/ Total apparent production, BAE (computed from factory consumption, trade, and stocks).

7/ "Foots" included in "other vegetable oils".

8/ Crude oil only.

9/ Converted to crude basis by dividing by 0.88.

10/ Estimated quantity used in manufacture of dehydrated castor oil excluded from production.

11/ Computed from unrounded numbers.

12/ Includes estimated output of farm butter and nonfederally inspected lard, 553 million pounds in 1947 and 524 million pounds in 1948.

13/ Bureau of Internal Revenue.

Table 10.-Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, August 1946 and 1947, June-August 1948

Item	Unit	August 1946	August 1947	1948 June	1948 July	1948 Aug.
		Dollars	Dollars	Dollars	Dollars	Dollars
		Oil-bearing materials				
Castor beans, Brazilian ports	Long ton	1/ 118.00	199.60	138.12	140.50	131.25
Copra, Philippine, c.i.f. Pacific Coast	Short ton	109.65	143.60	315.00	264.00	242.50
Cottonseed, United States average	Short ton	59.10	75.50	92.20	96.00	76.60
Flaxseed, No. 1, Minneapolis	Bushel	3.95	6.00	6.09	6.08	6.00
Flaxseed, United States average	Bushel	3.64	5.73	5.82	5.83	5.75
Peanuts, No. 1 shelled, Spanish, Southeastern shipping points	100 lb.	14.25	16.50	17.00	17.12	17.00
Peanuts, United States average	100 lb.	8.88	9.81	10.40	10.40	10.40
Soybeans, No. 2 Yellow, Chicago	Bushel	---	3.11	---	3.78	3.22
Soybeans, United States average	Bushel	2.35	3.07	3.90	3.66	2.91
		Oilseed meals 2/				
Copra meal, Los Angeles 3/	Short ton	59.80	72.90	93.10	92.75	82.00
Cottonseed meal, 41 percent protein, Memphis	Short ton	95.00	83.25	86.80	82.95	67.10
Cottonseed meal, 41 percent protein, Chicago	Short ton	---	90.35	96.25	92.45	73.80
Linseed meal, 34 percent protein, Minneapolis	Short ton	4/ 84.50	77.90	73.50	72.00	66.80
Linseed meal, 34 percent protein, New York	Short ton	86.50	87.10	85.55	84.65	78.90
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	67.25	80.00	81.00	80.45	67.70
Soybean meal, 41 percent protein, Chicago	Short ton	93.15	91.90	94.25	96.90	84.40

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ C.i.f. first port of arrival.
2/ Bagged carlots.
3/ Original quotations adjusted to bagged-carlots basis.
4/ 32 percent protein.

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